

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NAVITAS KY NG, LLC) 2015-00427

ORDER

On February 16, 1995,¹ the Commission approved rates for Gasco Distribution Systems, Inc. ("Gasco") and provided for their further adjustment on a quarterly basis in accordance with its Gas Cost Adjustment clause. On February 28, 2011, Navitas KY NG, LLC ("Navitas KY") acquired the assets of Gasco, pursuant to the Commission's approval of the transfer, and adopted Gasco's tariffs.²

On December 29, 2015, Navitas KY filed its proposed Gas Cost Recovery ("GCR") rate application to be effective February 1, 2016.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Navitas KY's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Navitas KY's notice sets out an Expected Gas Cost ("EGC") of \$5.9338 per Mcf, which is a decrease of \$.5044 per Mcf from its previous EGC of \$6.4382 per Mcf.

¹ Case No. 1994-00427, *In the Matter of the Application of Gasco Distribution Systems, Inc. for a Certificate of Convenience and Necessity to Provide Local Gas Distribution Service to Albany, Ky. and for Transfer of the Albany Gas Utility Company* (Ky. PSC Feb. 16, 1995).

² Case No. 2010-00468, *Joint Application of Navitas Kentucky NG, LLC and Gasco Distribution Systems, Inc. for Approval of an Acquisition of Ownership and Control of Gas Utility Systems* (Ky. PSC Feb. 11, 2011).

3. Navitas KY's notice sets out no current quarter or total Refund Adjustment, which is no change from the previous quarter.

4. Navitas KY's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.0058) per Mcf. Starting in January 2015, a large new load came onto the Navitas KY system, accounting for approximately 10,000 Mcf of sales per month.³ To avoid a large over- or under-recovery through the ACA, Navitas KY included the additional Mcf sales in the calculation of its ACA. Navitas KY did not use the correct Previous Quarter Actual Adjustment of (\$.1398) per Mcf in the calculation of its total ACA. Navitas KY's corrected total ACA is (\$.6207) per Mcf, which is a decrease of \$.0350 per Mcf from its previous total ACA of (\$.5857) per Mcf.

5. Navitas KY's notice sets out a current quarter Balance Adjustment ("BA") of \$.0620 per Mcf. To avoid a large over- or under-recovery through the BA, Navitas KY included the additional Mcf sales in the calculation of its BA in the same manner as it is included in its ACA. Navitas KY's total BA is (\$.0693) per Mcf, which is an increase of \$.0582 per Mcf from its previous total BA of (\$.1275) per Mcf.

6. Navitas KY's corrected GCR rate is \$5.2438 per Mcf, which is a decrease of \$.4812 per Mcf from its previous GCR rate of \$5.7250 per Mcf.

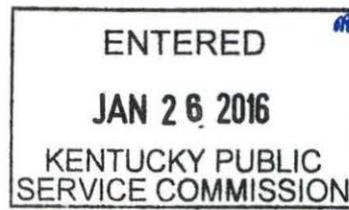
7. The rate set forth in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Navitas KY on and after February 1, 2016.

³ See Application, Cover Letter.

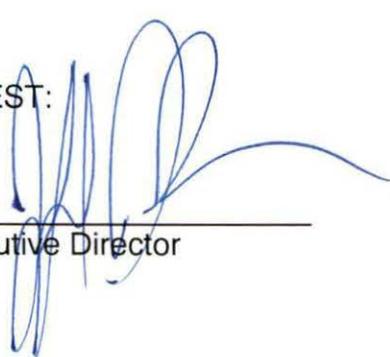
IT IS THEREFORE ORDERED that:

1. The rate proposed by Navitas KY is denied.
2. The rate set forth in the Appendix to this Order is approved for service rendered by Navitas on and after February 1, 2016.
3. Within 20 days of the date of this Order, Navitas KY shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00427 DATED **JAN 26 2016**

The following rates and charges are prescribed for the customers in the area served by Navitas KY NG, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES per Mcf:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Residential	\$4.62	\$5.2438	\$9.8638
Commercial	\$3.62	\$5.2438	\$8.8638

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